

LUFKIN

ROUNDUP

APRIL 1986



FROM THE PRESIDENT'S DESK

The news of declining oil prices, reduced drilling and reduced need for pumping units has greeted us daily since the beginning of the year.

Today, the competition is also much keener in the trailer business.

Tough competition and difficult business situations are certainly not new to the Lufkin Industries' team. All of the businesses in which we are engaged are cyclical and have wide swings from top to bottom of the business cycle.

We have learned over the years that we can constantly improve everything that we do. The history of the company is full of stories of continuous improvement. The suggestions which are pouring in from all departments of the company indicate interest and dedication of many members of the LUFKIN team. This is just another example of how working together and building teamwork can make our company much more competitive.

Many people ask about Lufkin Industries' secret of success, and



"...Working together and building teamwork can make our company much more competitive."

usually they expect to hear some magic words, special formula or a single thing we do that has made us successful over the years. We have learned in order to have an excellent company, we must have excellent departments and excellent individuals. Not just a few, but many excellent individuals. There are not just a few things

done extremely well, but many things done extremely well.

Over the years, many of our competitors have tried to copy everything we do, from our product to the most minute detail to our manufacturing technology. We know that they can copy the product, they can make the bolt holes the same, but they can never copy the LUFKIN teamwork. *They can never copy the LUFKIN spirit which makes us the outstanding company we are.*

Thanks for your help in continuing to improve productivity, the way we do things and our relationship with each other. By helping each other, we can truly continue to build a better, stronger company.

Frank B. Stevenson

APRIL COVER

Melton Truck Lines, the company that emphasizes "short hops, long hauls and fast service," has long been a customer of Lufkin Industries' Trailer Division. LUFKIN salesman Mike Stringer recently sold them 75 102-inch wide by 48-foot long vans.

THE ROUNDUP

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World Oil Outlook

Where do we stand and where are we going?

By Diana Hill

Despite the devastating effects of plummeting crude oil prices, Lufkin Industries is looking for and finding bright spots on the horizon.

Earlier this month, oil prices rallied after Vice President George Bush told the Saudi Arabian government that price slides are hurting the domestic United States oil industry. This turnaround came about following the drop in the price of oil to \$9.75 per 42-gallon barrel.

In an *Associated Press* (AP) article, William Randol, First Boston Corp. (New York investment firm) analyst, was quoted saying, "This is a major change for the Reagan administration. The policy has been that lower is better, period. Now they're starting to realize that the euphoria of lower oil prices is like a party followed by a hangover."

Lufkin Industries' pumping unit business is tied closely to oil drilling activity. When the rig count declines, so do pumping unit sales. What is Lufkin Industries doing to combat this current state of affairs?

"First of all, we are stepping up our effort to attract new business and encourage existing, valued customers to continue their relationship with Lufkin Industries," says E.G. Pittman, manager of sales. "LUFKIN salesmen are stressing the fact Lufkin Industries manufactures the best pumping units available in the world today --- a top quality and dependable product."

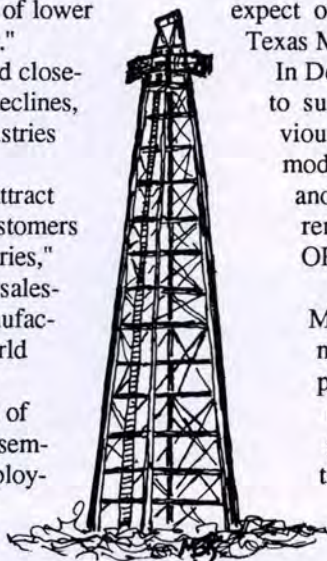
Also, those involved in the manufacturing end of the company are streamlining production and assembly operations. It is a company-wide effort. Employees are encouraged to make suggestions regarding cost reductions and work simplification. "Inspired teamwork" is the company's motto.

In an effort to respond to potential customers' financial uncertainties, LUFKIN's engineering department has designed a smaller, less expensive beam-balanced unit. (See story and photo, back cover)

"With this new line, we targeted a need, met the challenge and maintained LUFKIN's reputation for high quality," Pittman said.

Also, the new slant-hole unit, which was introduced in 1985, allows selective placement approach to the oil reserve. An angled hole permits several pumping units to be grouped together on a central production pad, preserving lands and reducing development costs.

Another marketable LUFKIN service includes repair work for pumping units in the field --- a quite viable business as long as the purchase of new units is on the decline. Lufkin Industries operates full service centers in Odessa, TX; Bakersfield, CA; and Casper, WY. The newest service center is in Oklahoma City, OK.



The current slump in the oil market began with a glut in supplies late last year, placing downward pressure on prices. The American economy is based on supply and demand, and right now there is a greater supply of oil than demand. It is also cheaper for American companies to import the petroleum product than it is to drill for crude oil in the United States. American wells must be drilled deeper, whereas much of foreign oil is free flowing.

Unless oil prices climb from present levels, the situation could become markedly worse during the next five years, according to an article in a March 31 issue of *Oil & Gas Journal*. "Until we see higher, stable prices, we cannot expect our industry to turnaround," Richard C. Hudson, Texas Mid-Continent Oil & Gas Association chairman.

In December, OPEC said it would increase production to sustain its "fair market share," relinquishing previous attempts to support the market price through moderate production. The decision sent prices into another tailspin, leading OPEC members to call for renewed cuts in output by both the cartel and non-OPEC members such as Britain and Mexico.

During a nine-day meeting in Geneva, ending March 24, members of the 13-nation cartel could not reach an agreement with non-members on production cuts, and failed to create a strategy for cutting its own production. Currently, they are studying Indonesian proposals for an oil production cut to prop up world crude prices. The OPEC conference will reconvene April 15 in Geneva.

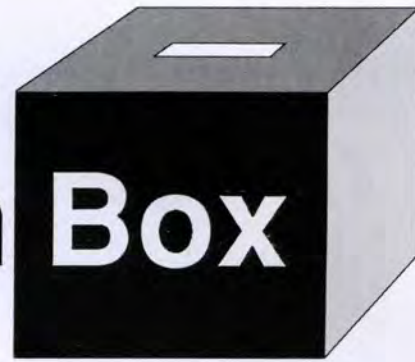
"The bottom line is, traders don't see anything to hold back prices from falling. There's just too much oil out there," said Peter Beutel, analyst with Rudolf Wolff Futures Inc. (a New York commodities futures firm), in an April 1 AP article.

The new Saudi approach seems rooted in three main facts: There have been no large oil discoveries outside of the Middle East since those in Alaska, the North Sea and Mexico 15 to 20 years ago; the Saudis have the world's lowest-cost large source of energy; and they have a capacity to manipulate output over a range of several million barrels a day.

However, when the current oil crisis makes a shift, Lufkin Industries will be in good shape to compete for the lion's share of the pumping unit business.

"With LUFKIN's capability of manufacturing large high-tech equipment and pouring castings for numerous products, we have the ability to broaden our marketing base," Pittman says. "Although many other companies have entered the pumping unit business, Lufkin Industries continues to be the world leader."

Suggestion Box



It's a cold, sticky situation for William McAllister

Transporting dry ice can be a touchy situation, but it is all in a day's work for one Lufkin Industries' employee.

Once or twice daily, it is William McAllister's job to dump a barrel of dry ice into a metal ice box. The dry ice is used to shrink gear shafts, resulting in less interference as they slide into gear presses. As the gear returns to room temperature, the steel expands to prevent the shaft from crinkling.

"The material is too cold to handle," McAllister says. "Dry ice burns if it comes in contact with your skin."

With this challenge a part of his regular routine, McAllister suggested a piece of equipment that promoted safety, as well as saved time.

McAllister's idea was to obtain a dry ice barrel transporter. The "ice" blue drum looks like a frosty mug when filled with a chunk of dry ice.

Previously, he used a 55-gallon drum suspended from a crane by a nylon strap. While the barrel was hanging upside down, McAllister beat on the bottom of the drum with a large metal tool until the ice fell into the ice box.

"There was always a danger of the barrel slipping through the nylon strap, and the possibility of a large chunk of ice falling on top of you," he recalls.

With the new piece of equipment, the barrel is strapped permanently to a wooden platform. A forklift slips under the platform, raising the barrel several feet in the air. McAllister pulls a chain, which turns the barrel upside down. The ice slowly falls into the icebox. Although the ice box can hold up to 32 shafts, an average of 10 to 12 shafts are

usually iced down at one time.

McAllister feels it is important to make suggestions that will help Lufkin Industries operate more efficiently.

"I've made at least a dozen suggestions since the program was implemented a couple of years ago," McAllister says. "Approximately 50 percent of my ideas have been put to use. Mike (Penn) is diligent about following up on submitted suggestions. He let's us know if the suggestion will work; if not, why not."



William McAllister watches as the barrel transporter dumps a large chunk of dry ice into the metal ice box.



When an idea flashes through a LUFKIN employee's mind, he first should consult his immediate supervisor. Employees are encouraged to talk with their supervisor before filling out a suggestion form. Possibly, the idea could be quickly implemented with only the supervisor's approval.

However, if an employee desires further action, suggestion boxes are available at workstations and in offices throughout the company. Signed forms are preferred so ideas can be reviewed,

clarified and/or discussed with the author. Without a signature a personal response is impossible.

Each person making a suggestion is mailed a notice saying their idea has been received and has been referred to the appropriate department and person. Then it is the responsibility of the appropriate department head or designated person to notify the author of the idea as to the outcome of their suggestion --- "yes it will be used and when" or "no it can't be implemented and why."

COVER STORY

Short Hops Long Hauls



The "Spirit of the Hare" is alive at Melton Truck Lines, as they keep runnin' on down the road.

A "Rabbit" logo and the phrase "short hops, long hauls, fast service" represent the philosophy of Melton Truck Lines, to be responsive, efficient and fast in servicing their customers.

The philosophy must be working, since Melton recently accepted delivery of 75 102-inch wide by 48-foot long vans, manufactured by Lufkin Industries Trailer Division.

The history of the "hare" is traced to a bus line started by Duncan McRae Sr. immediately following World War II. Competing with the modern, air-conditioned Greyhound buses proved to be difficult, so McRae adopted the rabbit and scheduled his buses 30 minutes ahead of Greyhound's runs in order to win the race to the passengers. His bus line was later purchased by Greyhound in 1958.

The rabbit moved from the bus to a truck after Duncan McRae purchased Melton Truck Lines in 1958, a business created by Bert Melton.

"Melton Truck Lines have been customers of Lufkin Industries Trailer Division for over 25 years," says Mike Stringer, Shreveport branch manager.

Today Duncan McRae Jr., oversees Melton's fleet of 580 power units. 530 of these are owner operated and regarded as

the mainstay of the company. The courtesy and personal attention of the owner operators keep the customers calling as they haul farm machinery, paper and construction equipment.

"When describing Melton Truck Lines as responsive, efficient and fast, one could readily use the same adjectives to portray LUFKIN's attitude toward our customers," Stringer says.



Tony McCarty (left) and Duncan McCrae, Melton Truck Lines' managers, stand in front of a LUFKIN-built van.

Ninth Annual Golf Tourney Scheduled for Saturday, April 19

The ninth annual Lufkin Industries' 18-hole golf tournament is scheduled for Saturday, April 19 at Diboll Municipal Golf Course.

Two flights --- championship and four-man scramble --- are open to all company employees, retirees and their spouses. Tee time is 8 a.m.

"For the first time, we have planned a championship flight," James Horton, director of personnel, says. "The winner of the championship flight will represent Lufkin Industries at Crown Colony ProAm Golf Tournament April 28."

Entry fee is \$5, which includes green fees and cart. Interested golfers should sign up with JoAnn Anderson in corporate communications by Thursday, April 17. Golfers must register their handicaps or average round scores with Anderson.

"In the best ball scramble, teams will be made up of A, B, C and D class entrants," Anderson says. "Prizes will be awarded for first and second places in each flight."

All 25 golf carts will be at LUFKIN participants' disposal. Any golfers wishing to bring their own carts may do so.

"Our greens and fairways are in great shape," says Dewey Wolf, Diboll Municipal Golf Course manager. "We've been told they are the best in Texas."



ON-THE-JOB

This month
THE ROUNDUP
goes "on-the-job"
with design
engineer ...

Lisa Ford

E

mployment and career opportunities for women have been improving steadily over the years. For those with foresight the future looks great.

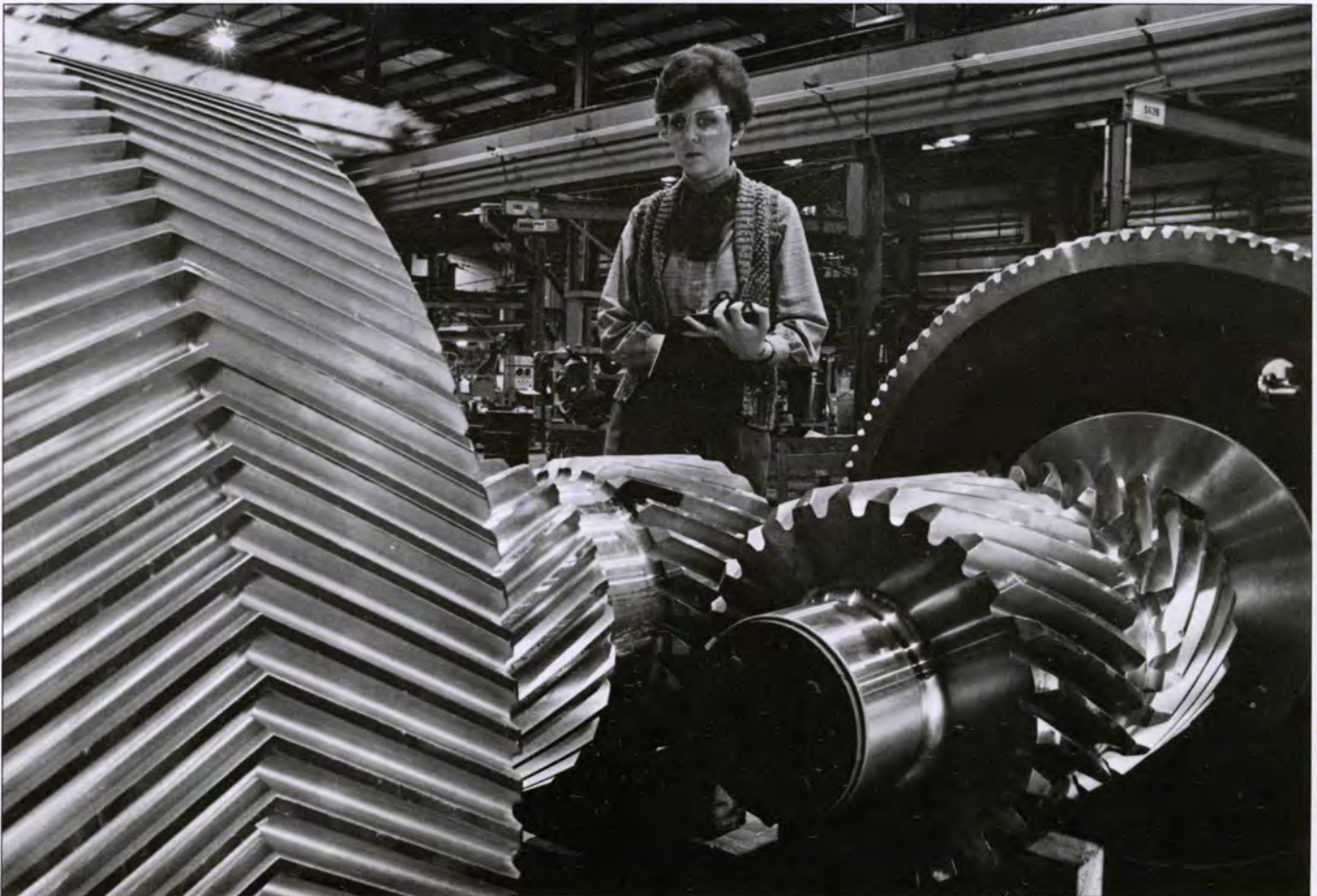
This is no exception for Lisa Ford a tall, soft spoken, determined Lufkin Industries' design engineer. She radiates professional competence in this high-tech revolution that will create 600,000 new engineering jobs by 1995.

Lisa possesses the finer qualities, such as, confidence, decisiveness, control, awareness and skills. For the past three

and a half years, this 1982 Texas A&M University graduate demonstrated these five key elements on the job as a design engineer in LUFKIN's engineering department.

A recent day on the job led Lisa to LUFKIN's 1986 Annual Machinery Division Sales Conference. She presented Lufkin's Austempered Gear Testing Program, which she researched for three years.

"The aim in testing the austempered ductile iron in-house is to determine the allowable bending and contact stresses for American Gear Manufacturing Association gear rating and for use in our



Design engineer Lisa Ford checks tooth contact of a TC5424 gear --- a gear typically used in sugar mills.

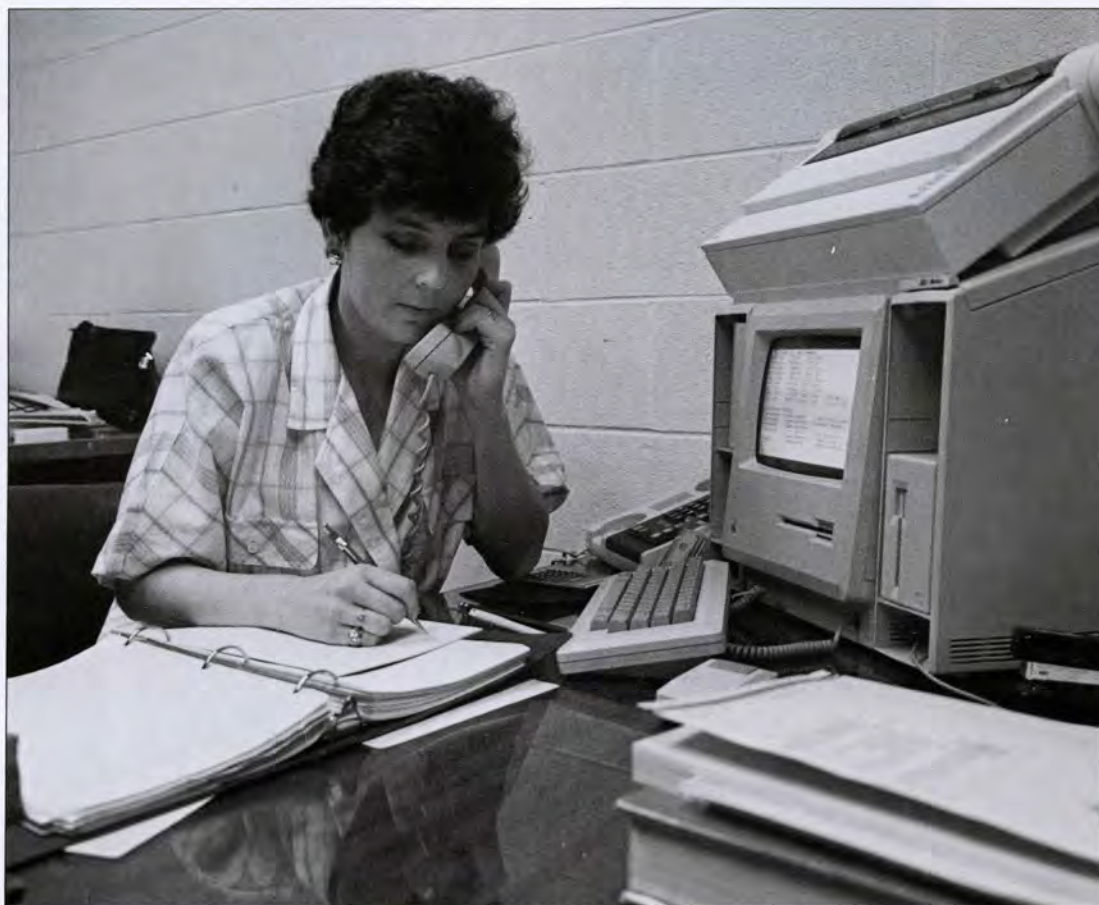
ON-THE-JOB

standard products," says Ford. Lisa is confident that the data developed through the austempered gear testing program will benefit other similar testing programs, and provide a basis for development of austempered ductile iron as a viable gear material.

Projecting confidence is largely a result of being in charge of the signals you send. Lisa is no exception. She presented Lufkin's Austempered Gear Testing Program to the second International Conference on Austempered Ductile Iron March 17-19 at the University of Michigan, Ann Arbor. "This forum provided a unique opportunity for the technical and manufacturing communities to participate in a meaningful exchange," explains Ford.

Another day on the job takes Lisa back to the drawing board to design gears, such as, the 67,050 HP NF2207C for Westinghouse Canada. "That's a super gear," said Jim Partridge, vice president and manager of LUFKIN's machinery engineering, when he made rough calculations in his head on the 67,050 HP Westinghouse Canada. In reality, few gear drives are totally custom designed "from the ground up" as the term implies.

Such was not the case for Lisa Ford and Ken Beckman, engineers on the Westinghouse Canada project. The design of the Westinghouse Canada 67,050 HP gear required skill in planning, organizing, controlling and evaluating.



Lisa Ford, design engineer, sizes a gear for one of Lufkin Industries salesman.

Photos by Viron Barbay

The gear would be two times larger in its HP rating than any design LUFKIN had built during more than 40 years in the gear business.

The design work for the NF2207C was done exclusively on the Computer Aided Design (CAD) system for accuracy and speed, explains Ford and Beckman. Beckman credits Ford with much of the design work on the NF2207C, which included a number of features unique to this gear.

There were a number of things our design had to match to fit on their test stand, according to Ford. "The gear drive's low speed shaft was designed to accommodate an overspeed trip assembly, which Westinghouse Canada uses in their test stand to shut off fuel to the turbine in case it overruns," says Ford.

Ford's day on the job may end at 5 p.m. However, she is continually improving her career through courses, such as Dale Carnegie and other communication courses offered by the University of Texas Industrial Education Department via Lufkin Industries' continued education programs. She's totally committed to her professional career in that she serves as director for the Texas Society of Professional Engineers and was muster chairman for the Angelina County A&M Club.

On weekends, Lisa and her husband Gary find time to play tennis. Late Sunday evenings or rainy days, Lisa enjoys counted cross stitch.

--- Jo Ann Anderson



Kim Matchett, Corporate Communications



Bobby Spells, Engineering Lab

The **LUFKIN** *Family* *Photo Album*



David Jones, Engineering



Keith Walters, Machinery Sales-Odessa



Chris Stewart, Trailer Division



Hubert H. Pittmon, Commercial Gear Assembly



Orpha McCall, Engineering



Eddie L. Mitchell, Mechanical Maintenance

FOCUS

Promotions for seven employees announced by company officials in five departments

Promotions of seven Lufkin Industries' employees have been announced.

In the machine shop, **Bob Pennington** and **Donna Burch** have been promoted.

Pennington was promoted to vehicle shop supervisor from machine shop engineering technologist. He joined the company in 1980. Following graduation from Lufkin High School, Pennington received a bachelor of science degree in engineering technology from Stephen F. Austin State University in Nacogdoches, Texas.

Pennington is a former member of

American Military Engineers and American Welding Society. He and his wife, Tamara, have one daughter, Marcie.

Burch was promoted to quality assurance technician from foundry time-keeper. She joined the company in 1985. Following graduation from Jasper High School, Burch attended Angelina College.

She and her husband, Greg, have one daughter, Cara.

In the foundry, **Bonnie Troutman** and **George Shimer** have been promoted.

Troutman was promoted to Little



Bob Pennington



Bonnie Troutman



George Shimer



Joe Jumper



Donna Burch

Rock (Arkansas) foundry superintendent from office manager. She joined the company in 1979. Troutman is a graduate of Jacksonville (Arkansas) High School.

Troutman is president of Arkansas

NAMES & NOTES



Snow Bound

The next time **Bill Pennington, Jr., Gordan Holloway** and **Louis Dunham** decide to visit Chicago during the winter they may wish to leave by an alternate mode of transportation, possibly dog sled.

Our foundry friends recently found themselves snowed in at Chicago's O'Hare International Airport following a training seminar in Schaumburg, IL.

With their luggage loaded on the aircraft, they were prepared to board the plane. At the last minute the flight was cancelled due to the heavy snow accumulation. Reaching the point of sheer panic, thinking they would be there for days and days, the perplexed trio called their fellow comrade **Danette Gainer** for advice. Just what they expected her to do about the weather

from where she sat was a mystery to her. She simply told them to sit down, relax and wait for the snow to melt.

What we'd all like to know now is, how many days did they spend at the airport? Well, we're not talking days here but hours, three to be exact!

Texas Transplant

Lufkin Industries, welcomes to its ranks a new corporate team member. Joining the accounting department, as an internal auditor, is **June Armstrong**, formerly with Arthur Anderson.

June hails from Bellefonte, PA and graduated with honors from Pennsylvania State University. She is a certified public accountant and is a member of the Texas Society of Certified Public Accountants.



Armstrong



Communication is the Key

Forty structural steel employees demonstrated their commitment to improved communications on the job by attending a seminar, "It's All In How You Say It."

This seminar was sponsored by Angelina College and the American Association of University Women.

"Communication is a vital part of the job for everyone at Lufkin Industries" says **Jim Riggs**, vice president and manager of structural steel final assembly and shipping.

"I am especially proud of these LUFKIN men and women who invested their own time in learning how to improve their communication skills."

FOCUS



Carl Johnson



Jackie Hudson

State Police Auxiliary. She and her husband, Harry, have one son, Troy.

Shimer was promoted to production control manager from machine shop scheduler. He joined the company in 1979. Following graduation from Carroll High School in Corpus Christi, Shimer received a bachelor of arts degree in psychology from the University of Texas in Austin.

He and his wife, Emily, have two children, Clinton and Rachel.

In the Trailer Division, Joe Jumper was promoted to side assembly supervisor from maintenance foreman.

He joined the company in 1961. Jumper is a Hudson High School graduate.

He and his wife, Kathleen, have one daughter, Jennifer.

In shipping, Carl Johnson was promoted to stock clerk from helper. He joined the company in 1984.

Following graduation from Shape American High School in Belgium, Johnson served six years in the United States Army.

He and his wife, Juanita, have three children, Monica, Melissa and Brad.

In the Industrial Supplies Division, Jackie Hudson was promoted to local driver class A machine operator. He joined the company in 1984. Hudson attended Nacogdoches (Texas) High School and Stephen F. Austin State University in Nacogdoches. He also took the University of Texas Industrial Education supervisory management course.

He and his wife, Cindy, have two sons, Kenneth and Bradley.

Health Tips

With warmer weather on its way, you may be feeling the spring cleaning urge. The Texas Medical Association suggests now is a good time to give your medicine chest a good cleaning and checkup.

There are two good reasons you may wish to consider moving your medicine supplies out of the bathroom. First, the bathroom cabinet generally is above the sink, making the medicine more accessible to children. Second, a bathroom's dampness can cause some drugs to deteriorate more rapidly. A good alternative location is a high shelf in a hall or bedroom.

Another problem with many medicine chests is that they resemble small drugstores. Overstocking drugs in the home should be avoided. Some products lose their potency or change consistency over a period of time. Buying the "family size" of a product is not a better deal if it goes bad before being used.

Supplies in a medicine chest should be checked annually. Items to get rid of include tablets that have become crumbly and medicines that have changed color, odor or consistency, or are outdated. That also goes for drug products that no longer have labels.

The medicine should not be thrown into a trash can, where a child could find it. Rather, empty the bottles of medicine into the toilet and flush it. Rinse out the bottles before throwing them away.

Contents of a family's medicine chest depend on the age and health of family members. Here is a general list:

Non-drug items: adhesive bandages of assorted sizes, sterile gauze, cotton, adhesive tape, elastic bandages, blunt-end scissors, tweezers, thermometer, hot-water bottle, heating pad, eye cup, ice bag, dosage spoon and first-aid manual.

Drug products: aspirin or aspirin substitute, Ipecac (to induce vomiting for some poisons), antacid, calamine lotion and hydrocortisone creams for skin problems, petroleum jelly, cough syrup, decongestant, burn ointment and anti-diarrhetic.

NAMES & NOTES



Buried Treasure

"It's amazing what you can find buried beneath the ground if you are patient enough," says Harold Weeks who retired from Lufkin Industries as a class A assembler in the Machine Shop December, 1985.

Weeks now sells metal detectors. As a hobby he sometimes uses them to locate lost articles for friends such as jewelry as well as other objects.

"I once found an old rusty pistol in a flower bed near a house that was being moved to another location. I've found some old coins too."

Sometimes he hunts for pieces of lost history.

Recently he returned from a trip to Prescott, AR. where he visited a former

civil war battleground. After a day of searching he located two 54-caliber bullets that he later traced back to the same kind used during the civil war.

He'll keep these latest acquisitions and add them to his other finds. Searching for buried treasure certainly has paid off for this LUFKIN retiree.

Inspired Teamwork What Is It?

"Beyond mere cooperation, inspired teamwork is the level at which progress and real innovation happens," explains president Frank Stevenson.

"When we are enthusiastic about our jobs and excited about opportunities for learning and surpassing yesterday's accomplishments, when we offer suggestions and actively help each other solve problems, only then does a true sense of caring about every job we perform, and about the worth of each individual at LUFKIN come to fruition."

LUFKIN

Retiree Profiles

Editor's Note: In a continuing monthly tribute to our dedicated retirees, the ROUNDUP is presenting these individual retirement profiles.



**Lee
Dunaway**

Lee Dunaway 11 years

Lee Dunaway is taking retirement one day at a time.

"My wife, Louise, and I plan to do a little gardening," Dunaway says. "And of course, there is always work around the house."

Dunaway retired from Lufkin Industries' machine shop electrical department after 11 years of service. "I miss the LUFKIN people," he says.

Bob Watson 31 years

Retirement to Bob Watson means he has more time for truck farming.

"I've planted a spring garden, and I will plant another one in the fall," Watson says.

Just for fun, he will fish and hunt. He and his wife Cozetta, have three children and six grandchildren.

Leetolia Yarbrough 20 years

Leetolia Yarbrough has traded his Lufkin Industries welding job for truck farming in Garrison. He will plant both spring and fall crops.

"Between tilling the soil, planting and harvesting, I hope to find time to fish a little bit," Yarbrough says.

He and his wife, Lissie, want to visit their son in Colorado and Leetolia's brother in California. The couple have four children and eight grandchildren.

Yarbrough retired as a welder from Lufkin Industries' Trailer Division after 20 years of service.

Marcus Patrick 38 years

Marcus "Red" Patrick plans to do as little as possible during retirement.

"Mostly I intend to piddle around the house," he says. "Oh, perhaps, I may occasionally fish."

Patrick retired as an inspector from Lufkin Industries' Buck Creek welding shop after 38 years of service. "I miss the routine of a daily job, but I was ready to retire."

He and his wife, Opal, have one son and one granddaughter.

Chester Hornbuckle 31 years

Building furniture and traveling are on Chester Hornbuckle's retirement agenda.

During his 31 years with Lufkin Industries, Hornbuckle's work experiences varied. He retired from LUFKIN's machine shop pumping unit assembly, but



**Bob
Watson**



**Leetolia
Yarbrough**



**Marcus
Patrick**



**Chester
Hornbuckle**

previously he had worked in industrial gear assembly and as a service representative in both California and Lufkin.

"Some of my best years with the company was during the ten years, from 1962 until 1972, when I was a service representative," Hornbuckle says.

He and his wife, Margaret, have five children and 12 grandchildren.

Cloyce Fussell 24 years

Gardening, fishing and minor home repair is the extent of Cloyce Fussell's retirement plans.

"I just want to take it easy," he says. "I don't like to travel so you'll generally find me close to home."

He and his wife, Pauline, have two daughters. Fussell retired from Lufkin Industries' foundry coreroom after 24 years of service.

Eli Coutee 33 years

Retiree Eli Coutee plans to mow a few yards for extra money, raise a few vegetables for himself and his family and fish for fun during his retirement years.

"Mostly I'm going to take it easy," says the former Lufkin Industries' steel shearer

operator. Coutee retired from Lufkin Industries' Trailer Division after 33 years of service.

He has ten children and between 30-40 grandchildren.

"I have too many grandchildren to count," he says.

Robert Ridgeway 35 years

To Robert Ridgeway, retirement means no set schedules.

"I can work awhile, play awhile and drink coffee awhile," Ridgeway says. "I can do just what I want, when I want."

Hunting, fishing, gardening and playing with his four grandchildren are among the activities he enjoys. "I am also in the midst of giving my house a facelift," he says.

Ridgeway retired as coreroom foreman after 35 years of service in Lufkin Industries' foundry. He and his wife, Ellen, have three children.

A.C. Lunsford 28 years

A.C. Lunsford is taking retirement one day at a time.

"I've been looking forward to retirement since I was a kid," Lunsford says. "Growing up, a friend and I tried to figure out a way so we'd never have to work."

LUFKIN

Retiree Profiles



**Cloyce
Fussell**



**Eli
Coutee**



**Robert
Ridgeway**



**A.C.
Lunsford**



**Charles
Daniel**



**Albert
Wilkins**



**James
Basham**



**Willie
Bryant**

Farming four acres, fishing and hunting keep him busy most days. He's planted several rows of watermelons for his grandchildren.

Lunsford retired as heat treat foreman after 28 years of service in Lufkin Industries' machine shop.

Charles Daniel 41 years

With nice weather in the spring forecast, Charles Daniel will hook his camper to his pickup truck, and travel the backroads of Texas.

"I've always enjoyed exploring what lies off the beaten path," Daniel says.

When he is not traveling, he plans to garden, fish and tend to some minor home repair.

Daniel retired as chief inspector after 41 years of service in Lufkin Industries' machine shop. He and his wife, Jodie, have two children and one grandchild.

Albert Wilkins 31 years

With the help of a faithful mule, Albert Wilkins is preparing East Texas soil for a spring garden.

When he is not tending his garden, Wilkins and his wife, Earlene, enjoy riding four-wheelers through the back-

woods of East Texas. Wilkins also plans to squeeze in time for horseback riding, squirrel hunting, fishing and vacationing in Colorado.

Wilkins retired as a table lathe operator in LUFKIN's machine shop IGM department after 31 years of service. The couple have two children and seven grandchildren.

James Basham 34 years

With a few cows, chickens, hogs and a garden to tend, James Basham will keep his family dinner table set with fresh meat, vegetables and eggs during his retirement years.

"I enjoyed my work as a crane operator at Lufkin

Industries, but I really enjoy working outdoors," Basham says. This East Texas farmer owns 30 acres near Central.

Basham retired from LUFKIN's foundry after 34 years of service.

Willie Bryant 15 years

One of the first items on Willie Bryant's retirement agenda was a two-week jaunt to Germany, in March, to visit two of his daughters.

"This month, my wife (Lurlene) and I plan another two-week trip to California, where two more daughters live," Bryant says.

Besides traveling Bryant enjoys fishing, hunting and gardening. He and his wife

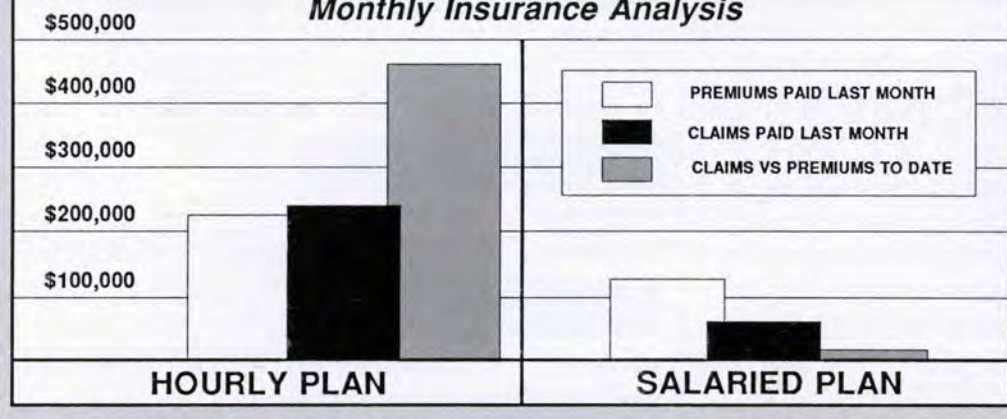
have six daughters, seven sons, 13 grandchildren and two great-grandchildren.

Bryant retired in February after cleaning gear boxes for 15 years in Lufkin Industries' machine shop.



INSURANCE UPDATE

Monthly Insurance Analysis



CHANGES

Company officials have announced 20 job changes and new assignments. They include:

MACHINE SHOP:

Fremont Bryant, from assembly commercial gears to gear specialist inspector; **Douglas Byrum**, from class B to class A maintenance mechanic; **Sue Landers**, from quality assurance technician to industrial engineering secretary; **Chester Read**, from class maintenance mechanic to maintenance mechanic specialist.

FOUNDRY:

Ivory Abrams, from mold systems helper to iron pourer; **Christopher Duirden**, from chipper grinder to shakeout tender; **Lonzo Jefferson**, from chipper grinder to class B mold machine operator; **Walter Levine**, from chipper grinder to shakeout tender; **Norman Shoemaker**, from class B to class A electrician.

TRAILER DIVISION:

Johnny Christie, from helper to class B trailer builder; **Larry Edwards**, from class A welder to welder specialist; **Glenn Ellender**, from helper to class B material handler; **Robert Johnson**, from helper to class A machine operator; **Ronald Meaux**, from class A material handler to material handler specialist; **Robert Nicholson**, from class A welder to welder specialist; **Gilbert Reynolds**, from class B to class A mechanic (Oklahoma City); **Kenneth Rich**, from class A welder to welder specialist; **Kenneth Sowell**, from class B to class A material handler; **Norman Sparks**, from class B to class A mechanic (Oklahoma City); **John York**, from class A welder to welder specialist.



APRIL ANNIVERSARIES

LUFKIN INDUSTRIES CANADA

Katherine Schurek 1

STRUCTURAL STEEL OPERATIONS

Smith Malone, Jr. 24
Roger Williams 24
Robert Lewis 21
Don Stringer 21
Benny Wilson 20
Cullen Malone 16
Harold Woods 11
Alfonso Compean 11
Martin Walden 11
Charlie Sanders 8
Margaret Sowell 7
Brent Husband 7
Loretta Gibson 7
William Bardwell 6

FOUNDRY OPERATIONS

Jim Singletary 34
Eddie Sowell 24
Leon Denning 22
George Yarbrough, Jr. 21
Leo Cranford 20
John Alexander 19
Samuel Johnson, Jr. 14
Lester Gilder 14
Johnny Miller 13
Macarthur Hatton 12
Roger Horace 11
Charles Polk 11
Dudley Flenoy 10
Loy Williams 9
Jimmie Suell 9
Perry Davis 8
Armando Rocha 7
Nancy Ballenger 7
Jose Garcia 7
Wilbur Painter 7
Stephen Reynolds 5
Michael Kitchens 5
Hugh Wise 2
Steven Swift 2
Frances Cole 1

FINAL ASSEMBLY & SHIPPING

Donald Steele 24
Jefferson Kee 21
John Gyger 8
Ray Montgomery 8
Roy Trawick 7
James Edwards 6

CORPORATE OFFICES

John Cantrell 12
Stephen Coker 10
Judy Cain 9
Arturo Lozano 6
Sara Callahan 4

MANUFACTURING ADMINISTRATION

Jimmy Lamont 35
Jerry Cortines 18
Michael Burley 7

INDUSTRIAL SUPPLIES

Trina Skinner 6

ENGINEERING

Orpha McCall 13
Cathy Salagaj 8

MACHINERY SALES

Lee Stevens 24
Gary Seaton 20
Betty Bardwell 17
Doris Jones 17
Bob Burrelli 10
Elaine Thomas 9
Inocencio Reyes 9
Anna Ballaw 9
Lorraine Gregory 8
Billy Atchley 6
Mary Phillips 6
Julie Jacobs 4
John Callender, Jr. 4
Annette Bush 2
Elizabeth Trammell 2
Duane Pritzel 2

TRAILER PLANT

William Jones 24
Jerry Swearingen 18
Prentice Brooks 14
Ewell Jackson 13
Linley Ham 12
Tommy Fox 9
Anthony Niosi 9
John Oliver 7
Stephen Jayroe 2
Roland Reynolds 1

TRAILER SALES & SERVICE

Johnny Rhodes 14
James Holton 13
Mary Guerra 12
Walter Shaw 10
Sue Massingill 10
Ethel Boyles 10
Jimmy Martin 8

MACHINERY MANUFACTURING

Clint Youngblood 34
Troy Edwards 31
Gordon Thomas 24
Leroy Garner 23
Leslie Durham 21
William McCalister 21
Darvin Dominey 21
James Eddings 20
David Jinkins 20
Doyle Robertson 19
Donald Smith 18
James Williams, Sr. 18
James Pate 16
Don Allen 14
Michael Doss 13
Bobby Smith 12
Shirely Johnson 12
Edgar Ditsworth, Jr. 11
Bobby Barber 9
Donald Jackson 9
Temple Farr 9
Elton Hendry 8
Tom Spencer 8
Larry Jackson 8
Judie Abbott 7
Steven Carlin 7
Gary Reppond 7
Robert Hulzar 7
Chester Read 7
William Poe 7
Coy Taylor 6
Albert Blalock 6
Thomas Brewer, Jr. 6
Steve Whitaker 6
Roy Williams 6
Jerold Runnels 6
Carl Phillips 5
Jay Schwartz 1

WELDING SHOP

Frankie Heaton 18
A.D. Whisenant, Jr. 14
Winford Jones 12
Hershel Ragsdale 10



Donald Steele
24 Years



William Jones
24 Years



Gordon Thomas
24 Years



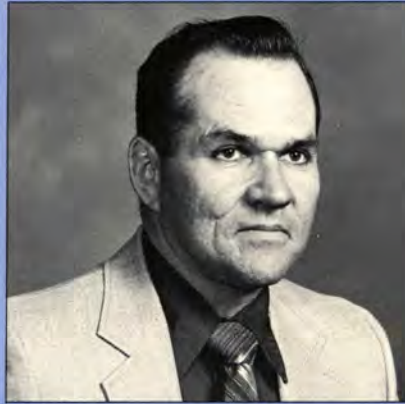
Smith Malone, Jr.
24 Years



Troy Edwards
31 Years

GUEST CORNER

MIKE PENN



"Success in anything we do is not a destination; it is a journey."

Being in a state of "utopia" is an image most humans desire. We exert a great deal of energy trying to grasp the wonderful essence of an utopian life. However, utopia is a vision, not a reality.

The word "utopia" is a Latin term that means "not a place or no place." It was originally used around the 14th century to describe an imaginary island comprised of the ultimate in living, also to include the ultimate in government. For years, people have used the term "utopia" to exaggerate in their minds hopes of a better situation in life for themselves.

Ponce de Leon lived the life of adventure. He was one of the few people that sailed with Columbus on his second voyage to the New World. In the early 1500s, Ponce de Leon was commissioned by his home country to return to the New World. Upon his arrival he landed in Puerto Rico and conquered that territory. He later, in 1500, became governor. Shortly following his appointment to Puerto Rico's governor's office, he heard stories of the fountain of youth, which was located in the Northwest --- now known as Florida. Ponce de Leon pursued this state of utopia seeking that fountain of youth.

Many other people have dreamed also of that seemingly better life. Plato wrote his Republic in 375 B.C. Samuel Butler wrote Erewhon in 1872. Edward Bellamy wrote Looking Backward in 1888. In 1905, H.G. Wells wrote Modern Utopia. These examples point out that people throughout history have been looking for their utopia. The constant searching comes from a discontent with our present surroundings.

None of us should be satisfied with status quo situations. Each of us, in everything we do, should be striving to improve whether that be improvement in

our family life, government life or our work life.

Improvements in ourselves, or in our life, government and company comes by accepting responsibilities each one of us has. We all have that responsibility of becoming a better individual tomorrow than we are today. Success in anything we do is not a destination; it is a journey.

We must continue to improve ourselves on an ongoing basis. We never reach that state utopia. It's a continuous improvement process.

Lufkin Industries has been heralded as being five years ahead of other American manufacturing companies, as well as some Japan

companies. This recognition has come about by people dedicated to improving themselves, thus improving Lufkin Industries.

People have realized that there is no such thing as a state of utopia. People, who have made Lufkin Industries what it is today, are people who have dedicated themselves to excellence. They have trained themselves in the latest fields of technology.

Lufkin Industries is committed to excellence. Management is also committed to see we are afforded opportunities to further development. This is exemplified in our contribution to training programs such as the Tuition Aid Assistance program. If you are not familiar with this program, contact the personnel department for further details. Lufkin Industries offers industrial education classes in the spring and fall for the purpose of improving skills in our respective professions.

No one at Lufkin Industries has the right to be complacent at their job. We must continue to develop ourselves to the point of being the best. Before Lufkin Industries can be termed an "excellent" company, we, the individuals that work here, must be committed to excellence. There are no utopias!

LUFKIN INDUSTRIES, INC.

P.O. Box 849, Lufkin, Texas, 75902-0849

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Our New Addition

One way Lufkin Industries is combating the current slump in the oil business is with the redesign of the beam balanced pumping unit.

Through the team effort of many LUFKIN employees, a more competitive, more economical unit was designed. Pictured is the B57D-89-42, one of a series of sizes of the beam-balanced unit. This particular unit is rated at 57,000 inch pounds of torque through double reduction gear reducer. The 42-inch stroke length unit has a beam rating of 8,900 pounds.

"The unit is cost effective without interfering with LUFKIN's reputation for quality," Cecil Hunt, chief engineer of the oilfield division, says. "A task force, made up of many people involved in both manufacturing engineering, contributed their input to develop the design."

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World Oil
Outlook

4

Employee
Suggestion Box

5

Short Hops
Long Hauls

8

LUFKIN Family
Photo Album

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